

Minerals Management Service, Interior

§ 203.81

(b) Our decisions on your application for relief from paying royalty under § 203.67 and the royalty-suspension volumes under § 203.69 are final agency actions.

(c) If you cannot start construction by the deadline in § 203.76(b) for reasons beyond your control (e.g., strike at the fabrication yard), you may request an extension up to 1 year by writing the MMS Director and stating your reasons. The MMS Director's response is the final agency action.

(d) We will notify you of all final agency actions by certified mail, return receipt requested. Final agency actions are not subject to appeal to the Interior Board of Land Appeals under 30 CFR part 290 and 43 CFR part 4. They are judicially reviewable under section 10(a) of the Administrative Procedure Act (5 U.S.C. 702) *only* if you file an action within 30 days of the date you receive our decision.

§ 203.80 When can I get royalty relief if I am not eligible for end-of-life or deep water royalty relief?

We may grant royalty relief when it serves the statutory purposes summarized in § 203.1, and our formal relief programs provide inadequate encouragement to increase production or development. Unless your lease lies wholly west of 87 degrees, 30 minutes West longitude in the Gulf of Mexico, your lease must be producing to qualify for relief. Before you may apply for royalty relief apart from our end-of-life or deepwater programs, we must agree that your lease or project has two or more of the following characteristics:

(a) The lease has produced for a substantial period and the lessee can recover significant additional resources. Significant additional resources means enough to allow production for at least a year more than would be profitable without royalty relief.

(b) Valuable facilities (e.g., a platform or pipeline that would be removed upon lease relinquishment) exist that we do not expect a successor lessee to use. If the facilities are located off the lease, their preservation must depend on continued production from the lease applying for royalty relief. We will only consider an allocable share of costs for off-lease facilities in the relief application.

(c) A substantial risk exists that no new lessee will recover the resources.

(d) The lessee made major efforts to reduce operating costs too recently to use the formal program for royalty relief (e.g., recent significant change in operations).

(e) Circumstances beyond the lessee's control, other than water depth, preclude reliance on one of the existing royalty relief programs.

[67 FR 1879, Jan. 15, 2002]

REQUIRED REPORTS

§ 203.81 What supplemental reports do royalty-relief applications require?

(a) You must send us the supplemental reports, indicated in the following table by an X, that apply to your field. Sections 203.83 through 203.91 describe these reports in detail.

Required reports	End-of-life lease	Deep water		
		Expansion project	Pre-act lease	Development project
(1) Administrative information Report	X	X	X	X
(2) Net revenue & relief justification report	X			
(3) Economic viability & relief justification report (RSVP model inputs justified by other required reports)		X	X	X
(4) G&G report.		X	X	X
(5) Engineering report.		X	X	X
(6) Production report.		X	X	X
(7) Deep water cost report		X	X	X
(8) Fabricator's confirmation report.		X	X	X
(9) Post-production development report.		X	X	X

(b) You must certify that all information in your application, fabricator's confirmation and post-production

development reports is accurate, complete, and conforms to the most recent content and presentation guidelines